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**USTR ANNOUNCES RESULTS OF
DECEMBER, 2000 SPECIAL 301
OUT-OF-CYCLE REVIEWS**

United States Trade Representative Charlene Barshefsky today announced the outcome of Special 301 out-of-cycle reviews of Ukraine, Macau, Korea, United Arab Emirates, Hungary, Slovenia and the West Bank/Gaza Strip. "Special 301" reviews examine the adequacy and effectiveness of intellectual property protection in certain countries.

Ukraine: A decision on whether to identify Ukraine as a Priority Foreign Country was deferred until March 1, 2001.

The U.S. has expressed concern for some time about Ukraine's production and export of pirate optical media products. Ukraine avoided a Priority Foreign Country identification last year after Presidents Clinton and Kuchma endorsed a Joint Action Plan to address the piracy problem. Unfortunately, Ukraine did not meet its obligations under the plan by last year's deadline. The U.S. has been in intensive discussions with the Ukrainian Government since late last year and recently some progress has been made. The Ukrainian Government has started to address the legislative deficiencies that make piracy difficult to combat. To fulfill the terms of the action plan, Ukraine must bring into force effective new copyright and optical media licensing legislation, as well as complete an effective plan to prevent the restart of pirate production. "Because of recent progress," Ambassador Barshefsky said, "we are deferring our decision on Priority Foreign Country identification of Ukraine. However, we are prepared to make such an identification – which would result in significant trade penalties for Ukraine – absent satisfactory implementation of the action plan by March 1."

Macau remains on the Watch List.

The U.S. is encouraged by the steps Macau has taken over the past year to strengthen its intellectual property legislation. Arrests and seizures for IPR violations have increased as well. Despite these positive steps, however, enforcement of the strong new intellectual property laws is not as vigorous as it needs to be. Prosecutions must increase and penalties against IPR violators must be stiffened if they are to be a genuine deterrent.

Korea remains on the Priority Watch List.

The U.S. is encouraged by our increased dialogue with the Korean Government regarding a number of weaknesses in its IPR regime, both in enforcement and in legislation. This dialogue did result in stronger legislation. "Prior to the end of the upcoming annual Special 301 review, we look to Korea to significantly expand its enforcement of intellectual property rights, particularly against software piracy," Ambassador Barshefsky said. "Also, we hope to see further improvements in Korea's Computer Programs Protection Act, stronger protection of confidential test data, and better coordination between Korean health safety officials and intellectual property officials."

United Arab Emirates received no listing.

The U.S. has been discussing with the U.A.E. for some time the problem of unauthorized copies of patented pharmaceuticals. Last April, the U.A.E. agreed to prevent the marketing of unauthorized copycat drugs. Unfortunately, marketing approval for some copycat drugs was granted nevertheless. However, recent consultations between our two governments resulted in assurances from the Government of the U.A.E. that it will reverse any marketing approvals granted in violation of last year's agreement. "We appreciate the renewed promise by the U.A.E. to respect patent rights in a manner consistent with the WTO TRIPS Agreement," Ambassador Barshefsky said. "We plan to continuously monitor over the coming weeks the U.A.E.'s fulfillment of its recent commitments in this regard and will take any further steps that may be warranted."

Hungary will remain on the Watch List.

The review of Hungary was prompted by concerns regarding that country's failure to provide protection of confidential test data submitted by U.S. companies to receive marketing approval for their products. "We are encouraged by the positive direction of recent discussions with the Hungarian Government and so have decided to allow a brief additional period of time to reach a solution that provides adequate and effective data protection," Ambassador Barshefsky said.

Slovenia received no listing.

As in Hungary, the U.S. Government is concerned about Slovenia's failure to protect adequately confidential test data. Last year the Slovenian Parliament suspended implementation of legislation that would have provided such protection. However, in recent discussions with U.S. officials the Slovenian Government pledged concrete steps to ensure such protection is provided. As a result, it is not necessary to change Slovenia's Special 301 status at this time. "We are pleased that the

new Slovenian Government has committed itself, consistent with its WTO obligations, to protect the data U.S. firms submit to gain approval for their products,” said Ambassador Barshefsky. “We will continue to monitor the situation closely in the weeks ahead and expect this commitment to be met no later than the conclusion of the upcoming Special 301 annual review.”

West Bank/Gaza Strip A scheduled review of the West Bank and Gaza Strip could not be conducted because of continuing violent unrest in the area. The review will be carried out when conditions permit.